

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Sand –M/s. Sardar Power Limited, Hyderabad – Mini Hydro Power Project on Nagavali River near Naguru village, Gurugubilli Mandal, Vizianagaram District – Proposal for dredging of the sand on regular basis in the branch canal constructed by the company from the main river outlet to the intake point in the power project – Permission accorded – Orders – Issued.

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INDUSTRIES & COMMERCE (SPIU & SAND) DEPARTMENT

G.O.Ms.No. 118

Dated:26.11.2011
Read the following:-

- 1)Representations from Managing Director, Sardar Power Limited, Hyderabad, Mini Hydro Power Project on Nagavali, dated.20.10.2010 and 5.7.2011.
- 2)Govt.Memo.No.15748/SPIU & SAND/2010, dated.27.10.2010, 23.4.2011 and dt.15.07.2011.
- 3)From the Director of Mines & Geology, Hyderabad Note File.No.46989/R9/2010, dt.24.2.2011.
- 4)From the Director of Mines & Geology, Hyderabad File No.46989/ R8-1/Sand/VZM/2010, dated: 04-08-2011.

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ORDER:-

In the reference 1st read above, the Managing Director, Sardar Power Limited, Ameerpet, Hyderabad has stated that NEDCAP Ltd., has sanctioned 3 M.W. Mini Hydro Power Project on Nagavali river near Naguru Village, Vizianagaram District. NEDCAP Ltd., has permitted to implement the project in two phases of 1.5 M.W. each. APTRANSCO has entered into Power Purchase Agreement (PPA) for purchase of total energy generated from the project. The unit was registered with the District Industries Centre as Small Scale Industry. The power project has started power generation in July, 2008 and APEPDCL has declared as Commissioned Power Project COD w.e.f. 17.07.2008. The project is a run of River Project and the water required for the power generation will be drawn through Approach Canal adjacent to the weir. The water enters into the power house through intake pool. The water passes through turbine and enters in to the tail race pool. From the tail race canal, the water again joins Nagavali River. They are facing serious problem, due to accumulation of sand in the Approach Canal and Upstream of the weir. The sand was accumulated in the approach canal due to which the water is overflowing above the weir without passing through the power house. If sand passes through the turbine, it damages the turbine and causes more wear and tear to the turbine. Since Nagavali river is a perennial river, discharge will be available in summer also. Due to accumulation of sand, they could not generate power when the State is facing acute power crisis. Moreover project is registered as CDM project by UNFCCC under Kyoto Protocol. APTRANSCO can claim for the clean and green energy for the energy generated from the project. To overcome the loss of generation, they have to remove the sand from the canal and also in the upstream of the weir. They are incurring considerable expenditure for removal of sand and again depositing into the river and have to pay the Seniorage charges as fixed by the Government for the quantity of sand excavated/removed from approach canal and upto 2 Kms from upstream of weir and therefore requested the Government to give permission for sale of sand.

2. In the reference 2nd read above, Director of Mines & Geology, Hyderabad was requested to furnish his remarks on the representations. Accordingly, in the reference 3rd read above, the DM& G, Hyderabad has reported that, the Assistant Director of Mines & Geology, Vizianagaram has inspected the area of M/s. Sardar Power Ltd., Naguru Village, Gurugubilli Mandal, Vizianagaram District on 23-11-2010 along with Technical Staff of his office and the area was shown by Sri P. Brahma Rao, Project In-charge. The Director of Mines & Geology, Hyderabad further reported that the applications Project is a Mini Hydro Power Plant sanctioned under NEDCAP and the area is located in Sy.No:136 & 137 of Naguru village, Gurugubilli Mandal Vizianagaram District. The Assistant Director of Mines & Geology, Vizianagaram has further reported that the project In-charge has informed that the sand is dredged from the approach Cannel and also in the upstream of the weir. Further, informed that they presently producing only 1.5 MW and considering reducing the power operation due to accumulation of sand in the

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approach Canal and weir. The sand is being deposited in the area due to which the water is overflowing above the water is over flowing above the weir without passing through the powerhouse and the Sand has to be remove. Further, informed that the Sand accumulation is high in rainy/flood seasons and an average daily yield is about 6 Cum, it if it dredged, but the Project In-charge—I, has could not produce any Technical report to that effect.

3. Further, the Director of Mines & Geology, Hyderabad has reported that, the Assistant Director of Mines & Geology, Vizianagaram has further informed that during the inspection he has observed that a Boat has been engaged for Dredging purpose and about 185 Cum of Sand is stocked in the premises of the Power Plant. Further, reported that the Sand is fine to medium rained, occasionally admixed with Clay/Silt. Heavy minerals occur as accessory but not viable for Mining. The Mineral Sand is unsorted and dredging premature deposition of the Mineral. Dredgable Sand and its present thickness can't be assessed and estimated since the source of Sand is water logged as well as its accumulation is a continuous is continuous process. Finally, the Assistant Director of Mines & Geology, Vizianagaram has recommended to accord permission for lift the ordinary sand under Rule 9-M of the A.P. Minor Mineral Concession Rules, 1966 in the interest of realization of revenue to the Government and to curb illegal activity.

4. Further, Director of Mines & Geology, Hyderabad has reported that, the Deputy Director of Mines & Geology, Vishakhapatnam vide Lr.No:978/Q/2007, dated:04-12-2010 had submitted that the applicants project is a Mini Hydro Power Plant sanction under NEDCAP and he had agreed with the proposals of the Assistant Director of Mines & Geology, Vizianagaram and requested to issue temporary permits under rule 9-M of Andhra Pradesh Minor Mineral Concession Rules, 1966. As per report of the ADM&G, the estimated sand per day is about 6 Cu. Meter or it may likely to increase, depending on the working capacity of power station and drawal of the water from the river. The permission from the Executive Engineer, Irrigation Department of Vizianagaram District was already obtained for constructing the branch canal from the main river. Therefore, the report of the River Conservator is not necessary in this case. Since, the said is going to dredge from the Branch Canal which is constructed specifically for drawal of the water from the Main River by the Company, the report of Ground Water Department is also not necessary. It is a continuous process of dredging of the sand in the branch canal as long as the power station works for power generation and it is a unique case to consider for issue of permission to the Company to sell away the sand regularly to clear of their work site, by invoking the rule 9-K(3) of A.P.Minor Mineral Concession Rules, 1966 as it affects the power generation.

5. In reply to Govt.Memo.dt.23.4.2011, the Director of Mines & Geology, Hyderabad has reported that, as per the report of the Joint Collector and Additional District Magistrate Vizianagaram vide letter No.4601/Q/2010, dt.22.6.2011, the Joint Collector Additional District Magistrate and Chairman, District Level Sand Committee, Vizianagaram convened meeting on 18.05.2011 and 23.05.2011 with District Level Sand Committee members and instructed to conduct field inspection along with NEDCAP-DM; Managing Director of M/s.Sardar Power Ltd., Revenue Divisional Officer, Parvathipuram and Tahsildar, Garugubilli and submit report on ground realities. All these members have conducted joint inspection on 25.05.2011 an the report submitted by the members was discussed in the meeting of the District Level Sand Committee held on 03.06.2011 which is as follows:

- 1) The E.E., I&CAD Srikakulam has given no objection for removal of accumulated sand in the approach canal only which is in the purview of the project as demarcated in the enclosed sketch, but on the up stream side of weir i.e. Nagavalli River can not be permitted as requested by the project authorities. He had further reported that the villagers of Naguru were objecting for the permission going to be given for removal of sand in the approach canal of Sardar Power Limited for the reasons that their agriculture fields will be spoiled. After inspection of the site, it is revealed that the erosion of agricultural lands if any adjacent to the Nagavalli river on the upstream side of the existing weir across the river constructed by Sardar Power Limited which is beyond the purview of the project, it is a natural erosion, but not caused due to removal of sand by using power boat in the approach canal of the Sardar Power Limited. Hence, the grievance petition filed by Sri A.Madhusudhan Rao and others is not correct.

- 2) The Deputy Director Ground Water, Vizianagaram has reported that the removal of the accumulated sand in between the approach canal and ungated weir of the project will not cause any disturbance in the ground water regime.
- 3) The District Panchayat Officer, Vizianagaram has informed that the removal of sand accumulated in the approach canal will not cause any disturbance to the Nagur Village, and resolution was already passed by the Nagur Grampanchayath at the time of construction of the Power Project vide Rc.No.1608/2006/A4, dt.20.6.2011 and no further resolution is necessary for removal of sand in the approach canal which has also recommended for removal of Sand continuously from the project area.
- 4) The District Manager, NEDCAP, Vizianagaram had reported that the sand from the point of diverted canal in the river to the point of intake pool is deposited which obstructs free flow of water into the canal and thereby causes insufficient capacity of utilization of Power Project and therefore it needs to be removed from time to time for proper functioning of project and therefore recommended for removal of accumulated sand deposits regularly.
- 5) The Revenue Divisional Officer, Parvathipuram has reported that continuous removal of sand from the surrounding of the plant will be objectionable since it leads to soil erosion. But the Executive Engineer after the inspection of the site, reported that erosion of agricultural lands if any adjacent to the Nagavalli river on the upstream side of the existing weir across the river constructed by Sardar Power Limited which is beyond the purview of the project, it is a natural erosion, but not caused due to removal of sand by using power boat in the approach canal of the Sardar Power Limited. Hence, the grievance petition filed by villagers is not correct.
- 6) The Assistant Director of Mines & Geology, Vizianagaram has reported that the sand accumulated in the approach canal is fine to medium grained and occasionally admixed with clay/silt and the thickness of the sand could not be assessed since the channel is water logged and its accumulation is continuous process during the entire period of the project and therefore recommended for removal of the accumulated sand in the approach canal.

6. Further, the Director of Mines & Geology, Hyderabad has furnished the following:-

- i) As per the report of the Assistant Director of Mines & Geology, Vizianagaram vide Lr.No.4601/Q-S/2010, dt.25.10.2010, it was reported that the sand accumulation is high in rainy/flood seasons and an average daily yield is about 6 Cbm of sand dredged. The correct estimation of the sand accumulation could not be made since it is continuous process of accumulation which is water logged.
- ii) The sand is going to dredged from the Branch canal continuously with the power boats, which is constructed specifically for drawal of the water from the Main River by the Company. The entire site is under the control of the power project with their security personnel.
- iii) If the Temporary permits are granted in favour of M/s.Andhra Pradesh Mineral Development Corporation Limited., it requires staff from M/s. A.P.Mineral Development Corporation Ltd., throughout the day for continuous monitoring of the system of obtaining and issue of permits on permanent basis which will burden the M/s. A.P.Mineral Development Corporation Ltd., Ltd., since the yield of sand after dredging is only 6 Cbm or slightly above which will not match the salaries of the staff on par with the sale of sand.
- iv) The Director of Mines & Geology, Hyderabad has therefore opined that, it is better to issue temporary permits to M/s.Sardar Power Limited directly instead of involving M/s. Andhra Pradesh Mineral Development Corporation Limited.

7. In view of the above circumstances, the Director of Mines & Geology, Hyderabad has requested the Government to accord permission directly to M/s.Sardar Power Limited for dredging of the sand on regular basis in the branch canal constructed by the company from the main river outlet to the intake point in the power project as shown in the Sketch submitted by the Executive Engineer, Irrigation & Command Area Development, Srikakulam without mentioning any time limit by invoking the Rule 9-K(3) of Andhra Pradesh Minor Mineral Concession Rules, 1966, as the accumulation of the sand effects the power generation subject to certain conditions.

8. Government have examined the matter in detail and in exercising the powers conferred under Rule 9-K(3) of A.P. Minor Mineral Concession Rules, 1966 and amendment orders issued in G.O.Ms.No.84 Industries & Commerce (M-I) Department, dated.10.04.2007, decided to accord permission to M/s. Sardar Power Limited for dredging of the sand on regular basis initially for a period of two (2) years from the date of execution of lease deed (which is renewable) in the branch canal constructed by the company from the main river outlet to the intake point in the power project as shown in the Sketch submitted by the Executive Engineer, Irrigation & Command Area Development, Srikakulam as the accumulation of the sand effects the power generation, subject to the following conditions:-

- 1) The company should be allowed to dredge the sand from the approach canal only.
- 2) The stock point shall be registered under Andhra Pradesh Mineral Development Rules, 2000.
- 3) The day wise reports of sand dredging, stocking and sale of sand should be informed to the ADM&G, Vizianagaram on weekly basis, with a copy to Deputy Director of Mines & Geology concerned.
- 4) The Assistant Director of Mines & Geology, Vizianagaram should regularly monitor the dredging of sand by inspecting their work site with his staff before issuance of each dispatch permit.
- 5) The company shall obtain necessary transit forms from the Assistant Director of Mines & Geology, Vizianagaram for transportation of sand after paying required S.Fee @ Rs.40/- per Cu.M. sand i.e. present rate in advance for the quantity intends to dispatch by furnishing stocks of sand available at their work site.
- 6) The company should intimate the mineral other than ordinary sand if found during the dredging and the same has to be intimated to the Assistant Director of Mines & Geology, Vizianagaram and also Deputy Director Mines & Geology concerned and Director of Mines & Geology, Hyderabad.
- 7) The Company should inform to the Assistant Director of Mines &Geology, Vizianagaram about stoppage of dredging of sand immediately as soon as they stop the dredging of sand.
- 8) The company shall pay the Seigniorage fee at enhanced rates as and when the Government issue revised rates of Seigniorage fee for sand.
- 9) The sand so dredged from the canal shall be restricted to Government Works only.

9. The Director of Mines and Geology, Hyderabad is requested to take further action accordingly under intimation to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**Dr. PREM CHAND
PRINCIPAL SECRETARY TO GOVERNMENT**

To

The Director of Mines & Geology, Hyderabad (w.e.file).

M/s. Sardar Power Limited, 104, Swarganivas Enclave, 7-1-619/A, East Srinivas Nagar, Ameerpet, Hyderabad.

Copy to the District Collector, Vizianagaram.

Copy to the Joint Collector/Chairman, District Level Sand Committee.

Copy to the Zonal Joint Director of Mines & Geology, Visakhapatnam.
Copy to the Deputy Director of Mines & Geology, Visakhapatnam.
Copy to the Assistant Director of Mines & Geology, Vizianagaram.
Copy to the P.S. to Hon'ble Minister (Mines & Geology).
Copy to the P.S. to Principal Secretary to Government (Mines).
Sf/Sc.

//Forwarded::By order//

SECTION OFFICER